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NORTHERN MONTANA COLLEGE

Compliance Report re Provisions of the  
Northern Montana College Housing and  
Dining System Bonds of 1972, Series  
A through H with First National  
Bank and Trust Company of  
Helena, Montana

Year ended June 30, 1983



OFFICE OF THE LEGISLATIVE AUDITOR

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STATE OF MONTANA

Office of the Legislative Auditor

STATE CAPITOL  
HELENA, MONTANA 59620  
406/449-3122



ROBERT R. RINGWOOD  
LEGISLATIVE AUDITOR

December 1983

DEPUTY LEGISLATIVE AUDITORS:

JAMES H. GILLET  
FINANCIAL/COMPLIANCE AUDITS

SCOTT A. SEACAT  
PERFORMANCE AUDITS

STAFF LEGAL COUNSEL

JOHN W. NORTHEY

The Legislative Audit Committee  
of the Montana State Legislature:

Enclosed is the report on the audit of the Northern Montana College  
Housing and Dining Bonds for the fiscal year ended June 30, 1983.

The audit was conducted by Peat, Marwick, Mitchell and Company  
under a contract between the firm and our office. The comments and  
recommendations contained in this report represent the views of the  
firm and not necessarily the Legislative Auditor.

The agency's written response to the report recommendations is  
included in the back of the audit report.

Respectfully submitted,

*Robert R. Ringwood*  
Robert R. Ringwood  
Legislative Auditor





Peat, Marwick, Mitchell & Co.  
Certified Public Accountants  
800 Granite Tower  
Billings, Montana 59101

The Legislative Audit Committee  
of the Montana State Legislature:

We have examined the balance sheet of Northern Montana College as of June 30, 1983, and the related statements of changes in fund balances, and current funds revenues, expenditures and other changes for the two year period ended June 30, 1983 and have issued our qualified report thereon dated October 7, 1983. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In connection with our examination, nothing came to our attention that caused us to believe that the College was not in compliance with all the terms, covenants, provisions, or conditions of the Northern Montana College Housing and Dining System Bonds of 1972, Series A through H dated March 13, 1972 between Northern Montana College and First National Bank and Trust Company of Helena, Montana (Trustee) except that audited supplementary project information required under the terms of the indenture was not prepared and submitted to the Trustee within 90 days after June 30, 1983. However it should be noted that our examination was not directed primarily toward obtaining knowledge of such noncompliance.

Our examination was made for the purpose of forming an opinion on the basic financial statements of Northern Montana College taken as a whole. Supplementary project information required under the terms of the indenture for the year ended June 30, 1983 included in schedules 1 through 5 is not a required part of the basic financial statements. The information in such schedules has been subjected to the auditing procedures applied in the examination of the basic financial statements and, in our opinion, is stated fairly in all material respects in relation to the basic financial statements taken as a whole.

*Peat, Marwick, Mitchell & Co.*

October 7, 1983





## NORTHERN MONTANA COLLEGE

Housing and Dining System Bonds of 1972,  
Series A through H

## Revenue Fund

## Balance Sheet

June 30, 1983

Assets

Cash	\$ 37,013
Investments	66,511
Accounts receivable	46,485
Inventory	180,140
Prepaid expenses	<u>264</u>
	\$ <u><u>330,413</u></u>

Liabilities and Fund Balance

Accounts payable and accrued expenses	62,402
Student deposits	32,187
Fund balance	<u>235,824</u>
	\$ <u><u>330,413</u></u>



## NORTHERN MONTANA COLLEGE

Housing and Dining System Bonds of 1972,  
Series A through H

## Revenue Fund

Schedule of Revenues, Expenditures,  
Transfers and Changes in Fund Balance

Year ended June 30, 1983

## Revenues:

Student Union - general	\$ 112,855
Student Union - store	375,560
Student Union - recreation area	4,351
MacKenzie Hall	133,261
Morgan Hall	140,789
Married student apartments	94,091
Donaldson Hall	26,302
Central food service	596,641
Interest income	24,988
Total revenues	<u>1,505,838</u>

## Expenditures and transfers:

## Expenditures:

Student Union - general	129,503
Student Union - store	335,407
Student Union - recreation area	8,462
MacKenzie Hall	132,766
Morgan Hall	149,672
Married student apartments	101,206
Donaldson Hall	29,761
Central food service	527,849
Total expenditures	<u>1,414,626</u>

## Transfers to:

Sinking fund	23,600
Repair and replacement reserve fund	<u>10,086</u>

Total expenditures and transfers	<u>1,448,312</u>
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Excess revenues over expenditures and transfers	61,963
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Fund balance at beginning of year	<u>178,298</u>
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Fund balance at end of year	<u>\$ 235,824</u>
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## NORTHERN MONTANA COLLEGE

Housing and Dining System Bonds of 1972,  
Series A through H

## Sinking Fund and Repair and Replacement Reserve Fund

## Statement of Changes in Fund Balance

Year ended June 30, 1983

	<u>Sinking fund</u>	<u>Repair and replacement reserve fund</u>
Revenue:		
Investment earnings	\$ <u>-</u>	<u>80,655</u>
Expenditures and transfers:		
Expenditures:		
Retirement of indebtedness	80,000	-
Interest on indebtedness	85,679	-
Expended for plant facilities	-	10,086
Total expenditures	<u>165,679</u>	<u>10,086</u>
Transfers (in)	(166,679)	(10,086)
Transfer out	-	143,079
Total expenditures and transfers	<u>(1,000)</u>	<u>143,079</u>
Net increase (decrease) for the year	1,000	(62,424)
Fund balance at beginning of year	<u>214,616</u>	<u>470,751</u>
Fund balance at end of year	\$ <u><u>215,616</u></u>	<u><u>408,327</u></u>
Fund balance consists of:		
Cash	-	97
Accrued interest receivable	-	20,362
Investments	<u>215,616</u>	<u>387,868</u>
	\$ <u><u>215,616</u></u>	<u><u>408,327</u></u>



## NORTHERN MONTANA COLLEGE

Housing and Dining System Bonds of 1972,  
Series A through H

Year ended June 30, 1983

Occupancy, Degree of Use, and Rates Charged

	<u>Maximum occupancy</u>	<u>Actual occupancy</u>	<u>Degree of use</u>	<u>Rates charged</u>
Dormitory:				
Men's Housing	307	236	76.87%	\$210 to \$260 a quarter
Women's Residence	200	171	85.50%	\$210 to \$260 a quarter
Married Student Housing	<u>47</u>	<u>41</u>	<u>87.23%</u>	<u>\$200 to \$223 a quarter</u>

Insurance

State of Montana insures all buildings and contents at replacement cost. All buildings and their contents at Northern Montana College are insured through the State of Montana. The aggregate amount of coverage for buildings and contents secured by the Housing and Dining System Bonds was approximately \$9,680,000 at June 30, 1983.





## NORTHERN MONTANA COLLEGE

Housing and Dining System Bonds of 1972,  
Series A through H

Year ended June 30, 1983

Enrollment - Full-time and Part-time Student  
(including graduate) and Pledged Fee Proceeds

	<u>Students</u>
Fall 1982	1,687
Winter 1983	1,742
Spring 1983	1,592
Summer 1983	1,221

Pledged fee proceeds	\$ <u>111,000</u>
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